

April/May 2009

Boston Puts Recovery Funds to Use

Operational support limited to the School and Police Departments

Supplemental federal funds from the American Recovery and Reinvestment Act (ARRA) have been factored into the Mayor's recommended FY10 operating budget for the School and Police Departments. Federal ARRA funds for direct operational rather than capital purposes are limited to these two departments and will be used to retain 250 positions. Because these funds are for one or two years only, they will help mitigate but will not solve the fiscal challenges facing Boston.

ARRA provides eligible municipalities direct funding for operations through existing public safety or education formula grants. It also offers opportunities for cities and towns to receive additional funding through application for competitive grants in both service areas.

Police - The Boston Police Department (BPD) received \$3.9M in direct funding for one year through the Byrne Justice Assistance Grant, which will be used to retain 50 officers who would otherwise be laid off. It is not yet known if this funding will be continued in FY11. The BPD also has submitted an application for the competitive Community Oriented Policing Services (COPS) grant to minimize or eliminate the need for the scheduled layoff of 67 officers in October. However, because Boston has comparatively less violent crime and is in a better financial position than most other cities competing for the grant, funding for all 67 positions could be problematic.

Schools – The Boston Public Schools (BPS) received \$31.5M in ARRA funding through Title I grants for low income students and Individuals with Disabilities Education Act (IDEA) funding for special needs students. The BPS committed \$16.2M of this funding to restore 200 positions and the remainder for strategic investments that will have long-term benefits. Funds would be used to provide:

- Literacy materials and professional development in literacy for teachers
- Technology and staff development to better serve students with autism and special needs and English Language Learners

A cap of 50% of ARRA funds for job retention could require minor reductions in other accounts to maintain the \$16.2M commitment.

State Fiscal Stabilization Fund

ARRA also authorized a \$994.3M State Fiscal Stabilization Fund for Massachusetts, with 82.8% or \$813.3M to be spent on K-12 and higher education and 18.2% or \$180.9M on general government services. Governor Patrick has committed \$329.9M to bring all school districts up to foundation budget level and to restore scheduled cuts in public higher education in FY10. Boston spends above its foundation budget level so it did not receive any of these funds. The state's worsening revenue picture makes it less likely that Boston will receive any of this additional funding over the next two years.